

CITY OF MOUNTAIN VIEW MEMORANDUM

DATE: April 20, 2004

TO: City Council

FROM: Al Savay, Senior Deputy Zoning Administrator
Lynnie Melena, Senior Planner

SUBJECT: APRIL 20, 2004 STUDY SESSION—DOWNTOWN PRECISE PLAN
UPDATE DRAFT AMENDMENTS

PURPOSE

The purpose of this City Council study session is to brief the Council on key policy issues that are a part of the draft text amendments to the Downtown Precise Plan recommended by the Downtown Committee and Environmental Planning Commission. Staff is seeking to inform Council of these issues prior to Council public hearings on the draft plan text amendments.

BACKGROUND

Environmental Planning Commission and Downtown Committee Recommendations

The Downtown Committee and Environmental Planning Commission recently held public hearings and made final recommendations on the Draft Downtown Precise Plan text amendments. Each group voted unanimously to forward a recommendation of approval of the Draft Precise Plan for Council consideration. The Downtown Committee recommended approval with no changes to the draft text amendments. The Environmental Planning Commission (EPC) recommended a few changes to the draft text and these are among the key issues discussed below.

Work Plan and Process

The City Council originally initiated review of the Downtown Precise Plan to determine whether community goals for downtown Mountain View had changed since the plan's adoption in 1988. In Phase I, completed in 2000, the City reassessed and updated

Areas A through G. This is Phase II—Area H (Castro Street Historic Retail District), Area I (Civic Center/Eagle Square/Gateway Center) and Area J (east of Castro Street blocks).

The Joint Committee began the Phase II process with a workshop in December 2002. Since then, the Downtown Committee and the Environmental Planning Commission have held six joint workshop meetings. There have been four staff-hosted focus group meetings with key stakeholder groups, a community meeting attended by about 50 people and separate public hearings have been held to review and make a recommendation on the Draft Precise Plan.

Key Findings

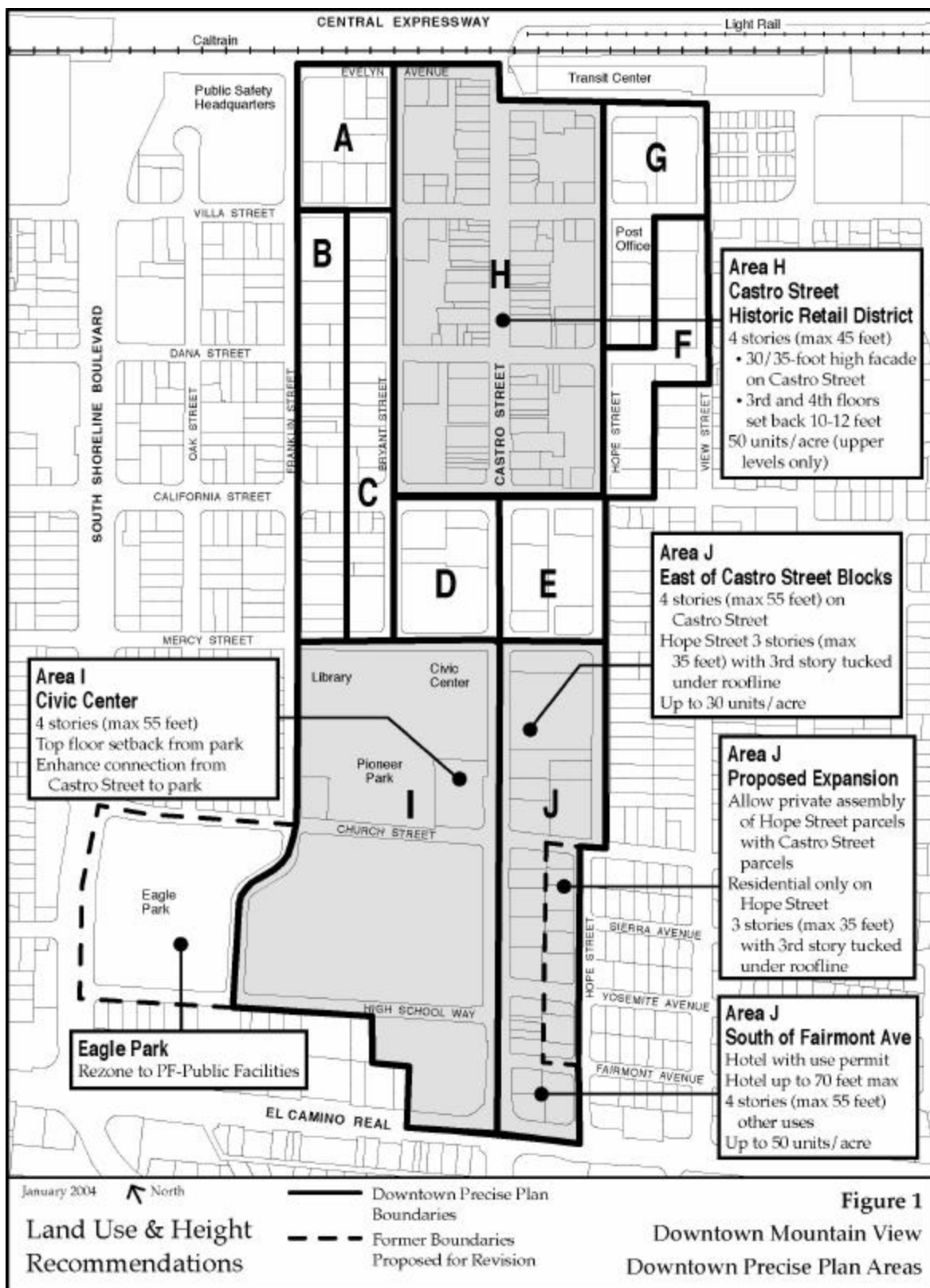
During the course of the Precise Plan review, there were a number of key findings that influenced recommendations of the proposed Precise Plan amendments.

- Restaurants and retail predominate in Area H. Restaurants in Area H constitute 36 percent of the total business floor area and retail is 24 percent.
- Parking in downtown parking lots at the midday peak (12:00 noon to 1:00 p.m.) is at 90 percent capacity, exceeding the practical capacity level of 85 percent.
- There is no required parking for restaurants or offices, both of which are major parking generators, on the ground floor in Area H.
- Strategies for parking will be key to developing and refining land use and growth goals for downtown and need to be carefully coordinated with economic development goals.
- Retail tends to locate on more regularly configured parcels, while parcels in downtown tend to be narrow and very deep.
- Housing is an important part of the synergy that creates a vibrant downtown environment and there is a demand for downtown housing.

Summary of Recommendations

The table below lists the most significant recommendations for amending the Precise Plan organized under each of the three study areas. Further analysis of the key issues associated with these recommendations is provided later in this report.

As noted above, the Downtown Committee and Environmental Planning Commission made different recommendations on a few issues, which are shown below.



The following is a summary of the proposed key Downtown Precise Plan amendments:

SUMMARY OF KEY PRECISE PLAN AMENDMENTS	
Planning Area	Recommendations
Area H	<p><u>Height Limit</u></p> <ul style="list-style-type: none"> Establish a new height limit for Area H (Historic Retail District) <p><i>Downtown Committee:</i></p> <ul style="list-style-type: none"> Establish a 30' to 35' high facade on Castro Street; third and fourth floors set back 10' to 12' from the facade with a maximum height of 45' <p><i>Environmental Planning Commission:</i></p> <ul style="list-style-type: none"> Establish a 30' high facade on Castro Street; third and fourth floors set back 10' to 12' from the facade with a maximum height of 40' <p><u>Ground Floor Parking Exemption</u></p> <p><i>Downtown Committee:</i></p> <ul style="list-style-type: none"> Allow a ground floor parking exemption for new retail and personal service uses <p><i>Environmental Planning Commission</i></p> <ul style="list-style-type: none"> Allow a ground floor parking exemption only for new retail <p><u>Other</u></p> <p><i>Unanimous</i></p> <ul style="list-style-type: none"> Make the parking credit for existing building floor area (when a building redevelops) uniform throughout Area H Encourage residential on upper floors by allowing residential within proposed height limit Include guidelines for the potential development of one public parking lot
Area I	<ul style="list-style-type: none"> Create guidelines for potential development on the Wells Fargo site Remove Eagle Park from the Precise Plan area and rezone it to PF—Public Facilities

Area J	<ul style="list-style-type: none"> • Expand Area J boundaries to Hope Street (near El Camino Real) • Allow residential on Hope Street and commercial on Castro Street • Allow four stories and a 55' height on Castro Street and three stories and 35' in height on Hope Street with a third story tucked under the roofline • Include personal services as a permitted use • Allow hotel as provisional use south of Fairmont Avenue • Allow six stories and 70' for hotel use south of Fairmont Avenue • Allow higher density for affordable and senior housing
Parking District (Portions of Areas A, B, C, F and G and all of Areas E and H)	<ul style="list-style-type: none"> • Require restaurants and administrative offices to provide parking by paying a 50 percent parking in-lieu fee for ground floor changes in use from retail: <ul style="list-style-type: none"> — The 50 percent in-lieu fee requirement applies to new restaurants and administrative offices that displace existing retail space — Applies to existing restaurant space that has been vacated for at least one year — Delay implementation for 18 months • Make restaurants on the ground floor a provisional use throughout the Parking District • Make personal services a permitted use throughout the Parking District • In the portion of the Parking District which is outside Area H, eliminate the one space to 500 square foot parking credit for existing floor area in five years • Allow 100 percent of residential guest parking to be provided with an in-lieu fee
Administrative	<ul style="list-style-type: none"> • Update Section V—Administration • Rescind overlapping Precise Plans: Eagle Square and El Camino-Castro Gateway
Map	<ul style="list-style-type: none"> • Revise the Precise Plan map to reflect new Hope Street boundary in Area J and rezoning of Eagle Park to Public Facilities

The scope of the Precise Plan amendments was limited to the study areas shown in Figure 1—Land Use and Height Recommendations.

KEY ISSUES

Height

The height limit in Area H has been a continuing issue throughout the process. The Council had changed the height limit in Area H from three stories to three stories and 55' when it was considering height for a new parking garage in 2002.

During the City Council study session on September 2, 2003 on the proposed Precise Plan changes, some Councilmembers expressed concern regarding the Joint Committee recommendation to change the height limit to four stories and a 55' building height in Area H. Others suggested that a 55' height limit might be acceptable through architectural design techniques. The Council urged continuing efforts to seek community input and also requested that minority opinions be forwarded along with recommendations supported by the majority where applicable.

During the October 15, 2003 Joint Committee meeting, the Mountain View Preservation Alliance and the Old Mountain View Neighborhood Association expressed concern that the 55' height limit was too high for Area H and suggested consideration of lower heights more compatible with the buildings with historic character. As a result, the Joint Committee reevaluated building height in Area H and recommended lowering the maximum height to 45' from 55' with additional height reductions for the portions of buildings closest to Castro Street (passed on an 8-7 vote). The Joint Committee also requested that the minority alternate height proposal be forwarded to the City Council for consideration. In separate meetings, the Downtown Committee unanimously approved the majority recommendation while the EPC unanimously endorsed the minority alternate height (see Attachment A—Area H Building Height Majority/Minority Recommendations).

Analysis

One of the main interests of the Joint Committee was to preserve the fine-grained pedestrian scale and character of downtown by recognizing and protecting buildings in the 100 and 200 blocks of Area H that have historical character. At the same time, a key guiding principle of the update was to promote economic diversification, including creating opportunities for larger floor plates for retail tenants and to encourage residential on upper levels. Building heights were also evaluated, taking into consideration that specific ceiling heights and floor plan sizes are required for more contemporary retail layouts.

Typically, a modern, three-story mixed retail and office building would be about 45' to 55' tall. A four-story mixed retail-residential building would be about equally tall.

The fourth story would also increase the financial feasibility of residential uses by permitting more units (see Attachment B—Downtown Building Height Section Examples). In staff's meetings with the developer and architects stakeholder group, participants had expressed that three-story mixed-use buildings in Area H may not be economically viable to construct. Earlier analysis from the urban planning and economic consultants noted that low ceiling heights, obsolete floor plan layouts and architectural design, particularly in Area H, contribute to the reluctance of new quality retailers from locating in downtown.

The heights developed in the Downtown Committee and EPC recommendations were based on a study of the heights and massing of some of the better-recognized buildings with historical character such as the Ames and Jurian buildings in the 100 block of Castro Street (see Attachment C—Downtown Building Height Examples).

Majority Height and Downtown Committee Recommendation

The Joint Committee's majority height recommendation, later supported by the Downtown Committee, would establish a new 30' to 35' two-story facade on Castro Street with third and fourth floors set back 10' to 12' from the facade with a maximum height of 45'. The prototypes developed by the consultants showed that this would allow for three floors of residential above one floor of retail or two floors of offices over one floor of retail. Thus, this reduction in height to 45' would allow the same number of floors as the original 55' recommendation.

This height was viewed as a compromise between the goal to preserve the scale of downtown consistent with Council concerns and community input and the desire to introduce new, larger retail uses into downtown. A two-story front facade on Castro Street would not exceed the average height of buildings, such as the historic Ames and Jurian buildings, which average 36' on Castro Street.

Minority Alternate Height and EPC Recommendation

The Environmental Planning Commission's recommendation was to support the minority alternate height (a 30' high facade on Castro Street; third and fourth floors set back 10' to 12' from the facade with a maximum height of 40'). The Commission felt that the lower height (two stories) closest to Castro Street would be more in keeping with

the existing buildings. It might also discourage redevelopment of buildings with historical character.

The minority alternate is only 5' lower than the majority recommendation height, but it could impact the viability of new additions or new construction in these blocks. A 40' maximum height would only allow a three-story retail/office or residential building (retail on the ground and two levels of office or residential above). It would eliminate the fourth story of residential feasible at the 45' maximum height. Furthermore, the 5' reduction in height would be nearly imperceptible to pedestrians.

Adoption of the minority alternate would require modification to several of the development prototypes contained in the Draft Downtown Precise Plan text amendments.

Alternate Recommendation

A compromise between the two recommendations would be to adopt the minority alternate height for the 100 and 200 blocks and the majority recommendation for the 300 block of Castro Street.

St. Joseph's Church Site and Affordable Housing

Another notable change since the Council's last study session concerns a request by representatives of St. Joseph's Church for a density greater than 30 dwelling units per acre and provisions to allow parking reductions for a potential affordable housing development on church property in Area J. As a result, the Joint Committee directed staff to incorporate changes in the Precise Plan. The development standards in Area J have been revised to allow very-low and low-income housing at up to 40 units per acre on the Castro Street frontage. Also, the parking section has been revised to allow parking reductions for affordable housing along with senior and efficiency studio housing which is currently included in the Precise Plan. Parking could be reduced if justified by a special parking study.

Public Parking Lot Development

Another issue concerns uses that might be allowed on upper floors if a public parking lot were redeveloped. The Joint Committee vote was very close, 8-7, to not allow residential and only allow commercial/retail and office development on a lot. Because of this close vote, staff is highlighting this as an issue, particularly since residential would be allowed on upper floors with a conditional use permit elsewhere in Area H.

Development of one public parking lot was explored as a way to create further economic diversification by providing opportunities for larger footplates particularly for uses such as a pharmacy and/or a market. Parking Lot 5 was used as a prototype to explore the physical implications of such a development. However, the concept is transferable to any of the five public parking lots in Area H.

Parking lots are generally the largest parcels downtown and, therefore, provide significant opportunities for development with larger floor plates. Currently, there are no specific regulations in the Precise Plan to guide such a proposal.

A typical project would require replacement of all of the current public parking spaces as well as providing on-site parking for new uses. This would require several parking levels in below or aboveground parking structures or a combination of the two.

Concern was raised over intensifying residential development beyond Castro Street and issues of compatibility between commercial and residential uses. The Joint Committee also recommended that development only be allowed on one lot.

An issue raised at the community meeting was whether the City would use eminent domain to acquire additional privately owned land for such a development project. The prototypes do not evaluate, nor is there any assumption that additional land would need to be acquired.

Parking In-Lieu Fees for Restaurants and Administrative Offices in Area H

Issue: Should restaurants and administrative offices that contribute most to downtown parking demand contribute to downtown parking supply?

The current Precise Plan has a very complicated set of parking requirements that vary, depending on location, use and whether the floor area and use are new or existing. In reviewing the policies and regulations, the goals of the Downtown Committee and Environmental Planning Commission have been to encourage new development and a better mix of uses, to ensure there is enough public parking and to make parking regulations more consistent and less complex, particularly in Area H and elsewhere in the Parking District. Although there are a number of changes recommended for the new parking section of the Precise Plan, a major issue has been whether restaurants and administrative offices that contribute most to downtown parking demand should contribute to downtown parking supply.

Currently, all ground floor uses in Area H are exempt from parking. However, as part of the background evaluation of downtown parking, it was noted that restaurants are typically among the highest parking-generating uses in downtown, particularly during the midday peak (12:00 noon to 1:00 p.m.). In addition, offices that are employment centers contribute to overall parking demand in downtown by using parking spaces all day long. Yet, even as they expand in number, if they are on the ground floor they do not have to provide parking because of the automatic ground floor parking exemption. Therefore, it was determined that restaurants and office uses that move into space previously occupied by retail should contribute to the parking supply by paying an in-lieu fee. This would also make retail more competitive with restaurants. Most properties in the Castro Street commercial area (Area H) are not physically able to provide parking on-site due to their small size and shape, so they are allowed to pay fees in lieu of providing parking to expand buildings or build new ones. The current in-lieu fee is \$26,000 per parking space.

The Environmental Planning Commission and Downtown Committee are recommending the following:

- Require restaurants and administrative offices to provide parking by paying an in-lieu fee of 50 percent (\$13,000 per parking space) of the standard in-lieu fee for ground floor changes in use for space previously occupied by retail (or personal service uses).
- The in-lieu fee would also apply to existing restaurant space that has been vacated for one year or longer.
- The in-lieu fee would not go into effect until 18 months after adoption of the Precise Plan.

Analysis

Existing restaurant floor area would still be exempt (unless vacated for one year or longer), but parking would be required for changes of use to and new construction of restaurant and administrative office floor area. Payment of a reduced in-lieu fee of 50 percent of the regular fee would recognize that the full fee would be difficult for a new use moving into existing space.

To ensure the 50 percent in-lieu fee is not too complicated to implement and it is equitably applied, it is recommended that the fee should only be paid one time upon change of use from retail to an administrative office or restaurant use.

Charging a 100 percent in-lieu fee was explored by the Joint Committee but was determined to be overly burdensome to new restaurants and administrative offices. A 25 percent in-lieu fee was also explored, but it was not considered to be significant enough to be a viable contribution to contribute to future parking supply.

Parking Exemptions for Ground Floor Uses in Area H

Issue: Should both retail and personal services uses in Area H be exempt from parking?

Currently, all ground floor uses on Castro Street are exempt from parking requirements. These exemptions have contributed to the vibrancy of downtown and they have been especially attractive to restaurants because they have significantly higher on-site parking requirements elsewhere in the City. Restaurants compete with retail businesses for space.

One Joint Committee objective was to encourage greater retail diversity. Another was to provide adequate parking. To further these objectives, the Joint Committee discussed the merits of allowing only retail and personal services uses to be exempt from ground floor parking requirements while requiring parking for other new uses (and changes of use for restaurants as discussed above). The final unanimous determination of the Joint Committee was to include personal service uses because they are complementary to retail uses and allow patrons to combine errands when shopping downtown. The Downtown Committee supported this recommendation during their public hearing.

However, when this issue was considered at the Environmental Planning Commission public hearing, Commissioners reconsidered this issue and expressed concern that some personal services uses may displace retail uses, and they should not be exempt from parking.

- The Environmental Planning Commission is recommending that personal services not be exempt from parking.

Analysis

Personal service uses also support residential uses in and around downtown by reducing the need for people to leave downtown for these necessary services. Requiring parking for personal services could deter them and encourage them to locate outside downtown.

Administrative Section

The administrative section of the Downtown Precise Plan has been amended to reflect current procedures for review of use changes and evaluation of new development in downtown. It makes permanent 98 percent of the review requirements of the Interim Urgency Ordinance requiring an increased level of review of land use changes in the Downtown Precise Plan, which was adopted by Council in July 2002. The Interim Ordinance created additional requirements for review of changes of use. It increased design standards and required business owners and landlords to address outstanding violations, design issues and deferred maintenance. The ordinance was to be in effect until new administrative procedures were developed and adopted as part of the Downtown Precise Plan, Phase II update.

Although the EPC and Downtown Committee recommended approval of the administrative process table below, upon further review, staff is recommending minor modifications to ensure continuation of the most critical review standards set forth in the Interim Ordinance such as restaurant and nightclub uses (see bold text in table below).

Analysis

The Interim Ordinance has been effective particularly in the efforts to address trash, storage and maintenance issues associated with downtown restaurants. Restaurants require more review due to the type and volume of refuse they generate. The Draft Precise Plan has been modified to require a Provisional Use Permit for any new restaurant.

The Interim Ordinance also requires a new provisional use permit for changes in occupancy from one provisional use to another provisional use (e.g., nightclub to nightclub). This is especially needed for nightclubs because they have noise, safety and security issues. The Draft Precise Plan requires nightclubs (and restaurants) to continue to be required to obtain a Provisional Use Permit on a case-by-case basis whether or not there is a previous use permit for the existing nightclub or restaurant.

While the increased level of review has been effective in regard to restaurants and nightclubs, it has had less impact for changes in use from one permitted use to a different permitted use (e.g., retail to art gallery) that do not have the same types of impacts that restaurants do. The Interim Ordinance required architectural review and a Planned Community Permit for these changes in use. The Draft Precise Plan eliminates this level of review.

**TABLE V-I
DOWNTOWN PRECISE PLAN ADMINISTRATIVE PROCESS**

Project	Building Permits	Code Compliance	Development Review Committee	Zoning Administrator	City Council
Change of business ownership	If needed	Yes	No review	No review	No review
Change of nonconforming use to same or similar nonconforming use	If needed	Yes	No	No	No
Change of use from one permitted use to same permitted use (e.g., retail to retail)	If needed	No	No	No	No
Change of use from one permitted use to different permitted use (e.g., retail to art gallery)	If needed	No	No	No	No
Change of use from a provisional use to same or different provisional use (e.g., nightclub to nightclub or restaurant to restaurant)	If needed	Yes	Review of project	Public hearing	No review
Change of use to a new provisional use	If needed	Yes	Review of project	Public hearing	No review
Interior tenant improvements; no new floor area	If needed	Yes	No review	No review	No review
Exterior tenant improvements, including signage	Yes	Yes	Review of project	No review	No review
Any new building addition	Yes	Yes	Yes	Public hearing with option to forward to Council	Optional
Any new building or adoption of a Master Plan	Yes	No	Review of hearing	Public hearing	Public

CONCLUSION

The recommended Downtown Precise Plan amendments are the result of a thorough and thoughtful evaluation by the Downtown Committee and the Environmental Planning Commission. Over the past 16 months, the two groups working as a Joint Committee considered public comments, reviewed workbook reports and held several workshops to develop these recommendations.

The purpose of the City Council study session is to brief the Council on the key issues prior to Council consideration of the Draft Downtown Precise Plan amendments and environmental assessment, which is tentatively scheduled for the May 25, 2004 Council Meeting.

Prepared by:

Approved by:

Al Savay
Senior Deputy Zoning Administrator

Elaine Costello
Community Development Director

Lynnie Melena
Senior Planner

Nadine P. Levin
Assistant City Manager

Kevin C. Duggan
City Manager

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Attachments: A. Majority and Minority Alternate Downtown Building Heights
B. Downtown Building Height Section Examples
C. Downtown Building Height Examples